



**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT COMMISSION
REGULAR MEETING**

Tuesday, June 19, 2018

**Kiva Forum – City Hall
3939 N. Drinkwater Boulevard
Scottsdale, Arizona 85251
DRAFT MINUTES**

PRESENT: Linda Dillenbeck, Chairperson
Camille Hill, Vice Chair
Sherry Henry
Ken McKenzie
David Winter

ABSENT: Carl Grupp

STAFF: Karen Churchard
Ana Lia Johnson
Holli Shannon
Steve Geiogamah
Bill Hylan
Denise Clayton

GUESTS: Rachel Sacco, Experience Scottsdale
Ken Schutz, Desert Botanical Garden
Dana Terrazas, Desert Botanical Garden
Robert Ramirez, Dia de los Muertos
Andy Myers, International Off-Road Expo
Rad Masinelli
Rene Salazar

1. Call to Order/Roll Call

Chair Dillenbeck called the meeting of the Scottsdale Tourism Development Commission to order at 8:01 a.m., and noted the presence of a quorum. Chair Dillenbeck acknowledged Councilman Smith's presence in the audience and thanked him for attending. Councilman Smith recently put out a wonderful email in regards to the value of tourism in Scottsdale.

2. Approval of Minutes

- May 15, 2018 Regular Meeting Minutes

Vice Chair Hill provided a grammatical correction.

COMMISSIONER MCKENZIE MOVED TO APPROVE THE MINUTES OF THE MAY 15, 2018 REGULAR AS AMENDED. COMMISSIONER WINTER SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.

3. Electric Desert Light and Sound Experience Mega Event Funding Request

Steve Geiogamah reviewed that this item was brought for consideration last month. Ken Schutz from Desert Botanical Garden has returned to provide additional information on marketing at the Commission's request. If approved, the funding can come directly from event development funds or carryover funds. Mr. Schutz introduced Dana Terrazas, the Garden's director of marketing communications. Mr. Schutz described the Electric Desert as an incredible exhibit for the fall. The event is expected to attract between 125,000 and 160,000 out of state travelers between October of '18 and May of '19. The total number of visitors is estimated to be 320,000.

Ms. Terrazas noted that \$420,000 has already been aside by the Garden to promote the event. As part of the advertising efforts, there will be an insert in the New York Times this fall. There will also be an extensive digital campaign, geo-targeting, social media plan and collaboration with local influencers. The Garden has established a partnership with iHeartRadio, including all of its radio stations. There is an additional partnership with AZ Family (Channel 3), who will be promoting the exhibition throughout the run of the show, including a 30-minute television special. The international campaign will continue via advertising in Sonora, Mexico. Outdoor features will be located at Scottsdale Fashion Square, Chandler Mall and the Biltmore, light rail wrap, mall and movie and theater advertising. A brief video was played. Out-of-state advertising will focus on New York, Chicago, Los Angeles, San Francisco, Denver and Canada. Audio partnership will be expanded with Spotify and Pandora.

The Garden offers several opportunities to position Scottsdale as its partner. On a non-blockbuster year, the Garden receives approximately 2 million visitors to its website. The Garden will create a special landing page to promote travel opportunities to experience Electric Desert. The page will highlight hotels, dining experiences and other attractions. The Garden receives hundreds of calls each month to its call center. Callers can receive recommendations on dining and accommodations. The Garden also suggests playing a video from Experience Scottsdale on loop in the visitor's center as well as brochures for distribution. The public opening will be preceded by a series of about 12 opening events, where collaboration with Experience Scottsdale can provide input as to promotions.

Mr. Schutz noted that the Garden has a legacy of working with Experience Scottsdale and the City of Scottsdale. The most recent example is the Canal Convergence project. This year there is the potential for similar collaboration in terms of marketing and presentation of Art in Scottsdale and at the Garden. Based on the strong relationship with major

Scottsdale properties, they would be invited to the opening week ceremonies where an information station will be available for all guests. Resort representatives would have an opportunity to present to guests in attendance. The Garden will include Scottsdale's sponsorship predominately in two activities, including Las Noches de las Luminarias and a new event, "Lit and Sip."

Vice Chair Hill asked about the process for determining which cities would be marketed to. Ms. Terrazas said that for the \$250,000 request, the Garden conferred with the team at Experience Scottsdale for recommendations.

Commissioner Hill inquired as to how the estimates for out-of-state visitors were determined. Mr. Schutz described the interview and data collection process, including an ASU study, which provided the information necessary to produce the estimates.

Commissioner McKenzie asked whether the landing page for Scottsdale hotels would be an exclusive page. Ms. Terrazas said they could include a special section featuring the main Scottsdale partnership.

Commissioner Winter noted the significant dollar amount requested. He asked for options at levels less than \$250,000. Mr. Schutz noted there are many options, however the preference would be for title sponsorship.

Chair Dillenbeck noted that one of the issues the Commission is wrestling with is the fact that the event is not located in Scottsdale, however Scottsdale bed tax dollars are being used for funding. The possibility of collaboration with Canal Convergence is a much more attractive option. The effort to make this happen is appreciated.

VICE CHAIR HILL MOVED TO RECOMMEND FUNDING FROM THE CARRYOVER TOURISM FUNDS IN THE AMOUNT OF \$250,000. COMMISSIONER HENRY SECONDED. THE MOTION CARRIED BY A VOTE OF THREE (3) TO TWO (2). COMMISSIONERS WINTER AND MCKENZIE DISSENTED. COMMISSIONER GRUPP WAS ABSENT.

4. Dia de los Muertos Event Update

Mr. Geiogamah stated that the application is being reviewed as a new event development funding request with the requested amount of \$65,000 to support one-year event funding agreement. This event was approved as a community event last year. The event budget last year was \$34,000 with approximately 7,500 attendees. The marketing budget was \$8,300. Robert Ramirez stated the Old Adobe Mission will be used as the central focal point for the event. Activations will take place on November 2-4. Last year's event included only one day of programming and there has been a request for additional events. Programming will expand to the Museum of the West with a goal of creating art installations around the museum with possible performance lectures inside the museum.

Art installations will also be included in front of City Hall in preparation for the events. A main goal is to activate an art installation objective that will turn into a large-scale festival in the next couple years. The plan for 2020 is to bring out the large ticketed festival. It is proposed that they will create a section of Museum of the West which will contain a

seasonal art activation. Another activation will occur in partnership with Scottsdale Arts for a Performing Arts Center performance. A deeper relationship is being developed with the Omni Resort, whereby several artists will be staying at the Omni and participating in lecture performances. The purpose to this approach is to activate this type of relationship with all the various hotels.

A relationship is being developed with the Diamondbacks as a key marketing partner, including the beginning event promotion on July 20th. Large scale art will be promoted both inside and outside of the stadium with estimates of reaching approximately 1 million people between July 20th and the end of September. The Hispanic Heritage Festival takes place on September 8th outside the stadium in downtown Phoenix. Marketing will include 10 to 12 large scale art pieces with a focus on Downtown Scottsdale and Dia de los Muertos with art installations at Civic Center Plaza. Activations are also being developed in conjunction with the farmer's market. The intent is to not bring in outside food vendors, but to work in conjunction with local restaurants and vendors.

In response to a question from Vice Chair Hill, Mr. Ramirez confirmed that the activations for the museum and area around City Hall will take place this year.

Mr. Ramirez stated that he went before the Human Relations Commission last month to garner support and all commissioners were in favor of the planned events, particularly because the event coordinators were making efforts to involve local indigenous communities.

Vice Chair Hill inquired as to the specifics of the Diamondback's marketing assistance. Mr. Ramirez reviewed the plan, which includes large scale art pieces and signage (including digital). A separate promotional campaign is Hispanic Heritage Day.

There will be Scottsdale Dia de los Muertos via art at the Arizona State University Sun Devils' Dia de los Muertos events. In fact, ASU will move the time of its events prior to Scottsdale's activation, in order to timely assist with event promotion.

Vice Chair Hill commented that last year's event had a shoestring appearance. The vision for the future events is very impressive, however. Last year, they had to be very creative with the budget. The objective was to create something special to inspire confidence for a larger event. Vice Chair Hill inquired as to lighting on last year's displays. Mr. Ramirez acknowledged there was minimal lighting because of budget constraints.

COMMISSIONER MCKENZIE MOVED TO RECOMMEND FUNDING FROM NEW EVENT DEVELOPMENT FUNDS IN THE AMOUNT OF \$65,000. VICE CHAIR HILL SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.

Rad Masinelli, President of the Executive Board of the Old Adobe Mission, spoke in support of the event.

5. International Off-Road Expo Funding Request

Mr. Geiogamah prefaced the presentation by discussing that last year's event garnered 8,500 attendees with a total marketing budget of \$113,000. Andy Myers, International Off-Road Expo, stated that TDC's funding last year allowed the event to increase its size by 30 percent. The event had six major vendors representing 23 nationwide brands. Attendees came from Florida, New York, Canada and Mexico. The income statistics for attendees was as follows: annual income over \$70,000 – 63 percent; annual income over \$100,000 – 39 percent. Returning customers ages 26 to 54 was 76 percent.

This year, there will be speakers from Canada, the UK, Cambodia and hopefully India. The Expo is the original and largest UTV expo in the State. The adventure motorcycle market in Arizona is one of the largest in the U.S. Arizona has the largest motorcycle registry in the country per capita. The event is beginning to attract major dealers and distributors. Mr. Myers elaborated with details of publicity and promotion initiatives.

Chair Dillenbeck noted that last year's attendance was approximately 8,500. As the application projects 17,500, but does not increase the marketing budget, she asked how this will be possible. Mr. Myers stated that a lot of extra people who come through the door for free. This includes vendors and their families. He acknowledged that this is a lofty goal. Thus far, they have conducted one email campaign for vendors and 80 have signed up.

VICE CHAIR HILL MOVED TO RECOMMEND FUNDING FROM THE TOURISM DEVELOPMENT FUNDS IN THE AMOUNT OF \$54,000. COMMISSIONER WINTER SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.

6. City Baseball/Softball Outfield Fence Funding Request

Mr. Geiogamah stated that the requested funding is for \$17,482 for Parks and Recreation to purchase the outfield fencing. Denise Clayton, Parks and Recreation Division, stated that she oversees field reservations citywide. Over a number of years, the Division has received requests from organizations and tournament directors to come to Scottsdale. At this point, the City is out of the loop with fastpitch softball. There are currently 18 fields in desirable locations. The fields are designed for multipurpose and adult slowpitch softball. Fences are set at 300 to 325 feet. The standard for the American Softball Association is approximately 190 to 225 feet. The proposal is for funding to purchase 18 portable fences that could be put up for potential fastpitch softball and/or youth baseball.

The Department has already been approached by an organization to bring their event to Scottsdale, however the appropriate fencing is not yet available. Typically, such tournaments bring in 200 to 230 teams from regional areas. Some teams travel from the Midwest, depending on the time of year. The Department works extensively with Experience Scottsdale for venues and events. Funding would accommodate tournaments in addition to the one already proposed. The particular organization typically has a two-weekend baseball tournament in the spring, which involves 200 teams. They now desire to bring a softball tournament to Scottsdale. Other tournaments have been requested for the next fiscal year, including the American Softball Academy Showcase and a local softball tournament in conjunction with the Scottsdale School District.

Vice Chair Hill asked how often the fields are booked for municipal needs. Ms. Clayton says the City runs adult slow pitch leagues typically Monday through Friday. Many times, weekends are available for private reservations and/or youth groups. Vice Chair Hill expressed concern that large scale tournaments may potentially interfere with the activities of local users. Ms. Clayton stated that the conflicts would be minimal. Previous to Scottsdale, she worked at the Scottsdale Sports Complex. They worked with local restaurants and reservations to achieve balance of activities. The same approach would be pursued in terms of the softball fields.

Mr. Geiogamah stated that one of the first prospective tournaments for October is projected to bring approximately \$15,000 of incremental taxes through bad tax alone. The field rental fee will result in \$50,000 to the City. Commissioner Winter asked whether the tournament would still be held in Scottsdale without the fencing. Ms. Clayton said that the tournament is currently held in Phoenix and would remain there without the fencing.

Chair Dillenbeck asked why the funding is being requested from Tourism as opposed to Parks and Recreation. Ms. Clayton noted that the Parks and Recreation budget has been flat for a number of years. Any requested increase would have to be planned 18 months in advance.

Chair Dillenbeck asked about installation of the fences. Ms. Clayton explained that they are mesh and are installed relatively easily.

Chair Dillenbeck said she spoke with Erica Humphrey at Experience Scottsdale, who was very enthusiastic about the investment, as it would open additional avenues for senior softball events. This would also allow them to revisit with clients who could not be accommodated previously.

COMMISSIONER MCKENZIE MOVED TO RECOMMEND FUNDING FROM THE TOURISM DEVELOPMENT FUNDS IN THE AMOUNT OF \$17,482. COMMISSIONER HENRY SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.

7. Experience Scottsdale Third Quarter Performance Measures Report

Rachael Sacco, Experience Scottsdale, provided the report, which covers the period ended March, 2018. Even at this early date, they are on track to exceed all performance measures. In terms of marketing, success will not merely engaged by hits, but by engagements. This will be tracked in terms of visitor guide distribution, collateral downloads and emails opened. They are on track to meet or exceed measurements in this category as well.

Highlights for the period include:

- Dedication to the Canadian market
- Major advertising efforts in New York at Penn Station and Penn Plaza as well as Ogilvie Station in Chicago with a combined 43 million advertising impressions in these two major markets
- Deployed television commercials in major markets

- Downtown Scottsdale map
- 429 meetings booked, accounting for \$70 million
- City-owned venues WestWorld, the Stadium and Scottsdale Sports Complex have produced 12 leads, representing 13,000 potential room nights
- 690 articles about Scottsdale generating approximately \$24 million in editorial value with 2.2 billion impressions and 56 journalists hosted
- Approximately 2,856 one-on-one sessions with tour professionals representing clients from 34 countries
- British Airways representatives were hosted in Old Town and at a Spring Training game

8. Event Funding Program Recommendations

- a. Children's Learning & Play Festival \$13,000

Mr. Geiogamah stated that the group participated in the Community Event Funding Program and were contract-compliant.

- b. Tour de Scottsdale \$12,000

Mr. Geiogamah said that the Tour is starting at DC Ranch for the race route. The recommendation for funding from the Commission can occur today. However, staff is still reviewing the permit process as well as other criteria related to actual ownership of the race. Staff will continue its due diligence to determine whether it meets the criteria before bringing the contract to the Mayor's Office for signature.

Chair Dillenbeck asked whether the liability issue has been resolved. Mr. Geiogamah stated that the City's Risk Management Director is still looking at this.

COMMISSIONER HENRY MOVED TO APPROVE THE EVENT FUNDING RECOMMENDATIONS FOR A AND B WITH CAVEATS IN TERMS OF INSURANCE AND PERMITTING. COMMISSIONER WINTER SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.

- c. Triple Crown Fastpitch Tournament \$5,000

Mr. Geiogamah stated this is one of the tournaments that would locate to Scottsdale in view of the temporary fencing requested earlier. The organizers anticipate 230 teams with 400 to 500 rooms per night over three nights.

VICE CHAIR HILL MOVED TO APPROVE THE EVENT FUNDING RECOMMENDATION AS PRESENTED. COMMISSIONER MCKENZIE SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.

- d. District 6 Little League \$3,500

Mr. Geiogamah stated that projected attendance is 14 teams. Attendance numbers are still being evaluated with approximately 250 rooms.

Rene Salazar, District 6 Administrator for Little League, spoke in favor of the funding request. The request is to offset costs for Park and Recreation for field usage. District 6 Little League is hosting a Little League tournament for Arizona. Teams are coming from across the state to participate. The organization is 100 percent voluntary participation in terms of leadership and operation. The event is also 100 percent free to attendees. The \$3,500 will merely cover field usages. Other costs include tents, water, baseballs and securing volunteers to help with field maintenance.

Mr. Geiogamah explained that once the room nights are determined, this will be in the contract. In order to receive funding, the room nights must be secured. Alternatively, staff can apply a ratio to reduce the amount.

VICE CHAIR HILL MOVED TO APPROVE THE EVENT FUNDING RECOMMENDATION AS PRESENTED. COMMISSIONER HENRY SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.

e. AZ Truck Fest \$7,000

Mr. Geiogamah said this is a WestWorld event with the opportunity to apply to a top range of \$25,000. They anticipate 600 room nights, equating to a return of \$7,700. The event will take place September 29th and 30th at WestWorld.

VICE CHAIR HILL MOVED TO APPROVE THE EVENT FUNDING RECOMMENDATION AS PRESENTED. COMMISSIONER WINTER SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ZERO (0). COMMISSIONER GRUPP WAS ABSENT.

9. Staff Reports

- a. **Staff Bed Tax Collection Report**
- b. **Staff Bed Tax Hotel Classification Report**
- c. **Bed Tax Proforma**
- d. **Smith Travel Report**
- e. **Program Updates**
 - 1. **Celebrate 68 City Event**

Mr. Geiogamah noted that variances up and down continue, however last month, a substantial amount was received, based on timing of payment received through the State. Year-to-date collections are up 8 percent. Miscellaneous retail sales tax collections were up 9 percent and restaurants were up 8 percent year-to-date. Commissioner McKenzie commented that growth is continued to be at 2 to 4 percent rev par for the balance of this year.

The proforma is a five-year forecast based on the current 21-A in place. It is hoped that potentially next month, the changes can be made related to 21-A and the allocations approved by City Council a few weeks ago.

The Smith Travel report shows that average occupancy for the past 12 months in the market area was up 2 percent, which relates to what will be forecast for the next couple months as well. Rev par and ADR continue to be up as well.

Staff is working with Smith Travel Research and looking at potentially changing some reports to provide a better picture of activity on a weekly basis and how events are impacting hotels. Staff is also looking to get a five-year forecast for the market area.

Karen Churchard provided an update on the Celebrate 68 City event, which the City will produce in October. The Mayor's Office and the City Manager's Office both recognize that City Hall and the library will celebrate its 50th anniversary this October. Historically, in October of 1968, there was an event that started at the Valley Ho Hotel, where participants walked down Main Street to City Hall. A committee was formed and they determined to reverse the order, having an event that starts at City Hall and proceeds to the Valley Ho Hotel. The event will occur on Saturday, October 13th from 4:00 to 8:00 p.m. After talking to the budget office and accounting office, it was determined that a portion of administrative bed tax funding could be used for the event. Under 21-A, this used to be a \$500,000 allocation. Next fiscal year, the total will increase to approximately \$784,000. The \$50,000 one-time allocation could be utilized for the event.

Vice Chair Hill asked whether the City uses Scottsdale vendors when it holds events. Ms. Churchard said she would assume they would do so, however it is not required from purchasing. They will be using Entertainment Solutions, Incorporated (ESI), the event coordinator/producer for Scottsdazzle and Western Week, which is based in the city.

10. Public Comment

There were no additional comments.

11. Identification of Future Agenda Items

Mr. Geiogamah stated that the next meeting is schedule for July 17th. City Council will reconvene on August 28th and 29th. There may be new event developments coming forward that staff may need to prepare for City Council presentations. Such events include a jazz festival and a potential wine festival both at WestWorld. In July and August, the Arizona Super Bowl update and funding request will be on the agenda as well as the Downtown marketing program update.

Chair Dillenbeck noted the district matching fund criteria draft as another agenda item.

9. Adjournment

The meeting adjourned at 9:49 a.m.

SUBMITTED BY:

eScribers, LLC